

**COMMITTEE of the WHOLE COMMITTEE
BUDGET WORKSESSION MINUTES
MAY 27, 2014**

The Committee of the Whole met on Tuesday, May 27, 2014 in the Council Chambers, located on the second floor of the Administration Building, at 12:00 p.m. to continue deliberations for the FY2014-15 Recommended Budgets. Mr. Jeffcoat, Committee Chairman, presided.

Members Attending:

Johnny Jeffcoat, Chairman
James E. Kinard, Jr.
M. Kent Collins
Bobby C. Keisler

Todd Cullum, V Chairman
Frank J. Townsend, III
Debra B. Summers
K. Brad Matthews

Members Absent:

* William B. Banning, Sr.

*Mr. Banning was absent due to illness.

Also attending: Joe Mergo, III, County Administrator; Chris Folsom, Deputy County Administrator; Randy Poston, Chief Financial Officer; other staff members, citizens of the county and representatives of the media.

In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and television stations, newspapers, posted on the County of Lexington website and bulletin board located in the lobby of the Lexington County Administration Building.

The Budget Worksession video for this meeting can be viewed in its entirety on the Lexington County Video Web Portal at www.lex-co.sc.gov.

FY 2014-15 Discussion of Items on the “Consideration List” and Funding Sources - Mr. Mergo reported the County has a contingency line item under non-departmental in order to ensure that any unexpected items that may occur over a 12-month period that we have funds to take care of that. He said in that budget line item there is approximately \$275,000 contingency which could be reduced by any of the items to be considered out of County Ordinary.

Mr. Kinard asked the Administrator if any of the millage the County is currently collecting, whether state agencies or county agencies, are there any on the tax books right now that we are currently collecting other than the required mandates that we are not required to fund, if so, what kind of dollar figure are we looking at.

Mr. Mergo replied there is one, the State Department of Mental Health, for the County office. He

said currently the funding is a little more than \$650,000. Unlike the Department of Social Services and the Health Department which are located at the Red Back Crossing Facility, the Mental Health Department is still located in a facility behind Lexington Medical Center which they own. He said there is no statutory requirement like those placed on the County to fund Mental Health.

Mr. Cullum said \$650,000 is a figure that has come about through a millage designation and that millage value produces greater than \$650,000, correct.

Mr. Poston reported the current mill value is \$1.9 million and Mental Health's is at 0.5 mill.

Mr. Mergo replied there is still an available fund balance within the Mental Health fund.

Mr. Kinard asked, for consideration, basically we are mandating ourselves on that particular item roughly to the tune of \$600,000 plus or minus. If we are tasked with providing services to the public, for instance, the Sheriff's Department, EMS, and Fire Service, would it not make more sense to try to take care of our basic services. He said what I am going to suggest would be to look at the possibility of adding an additional ambulance and staff which is \$614,000 and offset that from the Mental Health fund or at least enough to buy an ambulance out of that fund and give them the rest.

Mr. Poston reported the estimated fund balance, at the end of this fiscal year June 30, 2014, would be \$317,000 for the Mental Health fund.

Mr. Mergo confirmed the recommendation is to take the millage currently assigned for Mental Health and shift it to County Ordinary then apply the additional expense for EMS which is funded out of County Ordinary. He said shifting the millage away from Mental Health, zero it out and add that 0.5 mill to County Ordinary.

Mr. Cullum asked if we determine we are not going to fund Mental Health and leave it completely to the State and they choose not to fund it, would it have an effect on our demand for services from an EMS or Sheriff's Department stand point in receiving more calls. Keith Kirchner, Assistant Sheriff, and Brian Hood, EMS Coordinator, provided information regarding increases in mental health calls to 911.

Chairman Jeffcoat suggested take the fund balance in Mental Health after paying \$650,000 then the remaining balance would be \$146,000. He confirmed that 0.5 mill was \$545,000 which is the mill collected for Mental Health. He said we are funding Mental Health at \$650,000 and if the mill is \$545,000 that is \$105,000 more. If you add the fund balance of \$146,000 and \$105,000 then you're looking at \$251,000. Why would we not take that \$251,000 and start funding the Mental Health for the millage we are collecting which is 0.5 mill and use the \$251,000 for needs that we are receiving requests for.

Lexington County Community Mental Health

Motion:

A motion was made by Mr. Cullum, seconded by Mr. Collins to take the entire fund balance from the Mental Health millage account (existing fund balance of \$317,000) and apply it back to the General Fund.

Chairman Jeffcoat opened the floor for discussion.

Mr. Cullum said if that should pass, then he would ask Administration to allocate only 0.5 of a mill collection to Mental Health.

Mr. Kinard said he would support that motion this year, however, next year if we are in this same boat, and we continue to be cut by the state for the Local Government Fund, then the whole thing is on the table as far as Mental Health is concerned because that will be his next motion since the money has to come from somewhere and we are out of options.

Mr. Cullum said he supports that and would go one step further to go ahead and put Mental Health on notice, July 2 which would be the first day of the new budget, that their funding is in serious jeopardy and more than likely may not be funded just one full year so that we understand.

Vote on Motion:

In Favor:	Mr. Jeffcoat	Mr. Cullum
	Mr. Collins	Mr. Kinard
	Mr. Townsend	Ms. Summers
	Mr. Keisler	Mr. Matthews

Motion:

A motion was made by Mr. Cullum, seconded by Mr. Collins to recommend we take 0.5 mill collection and identify that to Mental Health for disbursement.

Chairman Jeffcoat opened the floor for discussion.

Mr. Mergo said the only other flexibility that Council may want to consider is to treat Mental Health just like every other outside agency. He said instead of designating millage to them they could submit that request and roll that millage into County Ordinary and Council decide how much to appropriate each year to Mental Health.

Mr. Cullum said that is a great point, and matter of fact, he hopes that is what this Council will do after this budget year. As he said earlier, notify Mental Health on July 2 to let them know that the

new process may be that they will have to apply like all the other outside agencies. He said he did not feel comfortable in cutting them off right now at the last eleventh-and-half hour for their funding because that would make him and the rest of the Council just like the State legislature.

Vote on Motion:

In Favor:	Mr. Jeffcoat	Mr. Cullum
	Mr. Collins	Mr. Kinard
	Mr. Townsend	Ms. Summers
	Mr. Keisler	Mr. Matthews

Sexual Trauma Services and Dickerson Center for Children

Motion:

Mr. Cullum made a motion, seconded by Ms. Summers, to fund Sexual Trauma Services at \$15,000 and the Dickerson Center at \$40,000, which the County has been funding in the past out of the General Fund.

Chairman Jeffcoat opened the floor for discussion.

Chief Kirchner reported without the services of the Dickerson Center the Sheriff's Department would have to invest extensively in training staff for that function and would have to contract with somebody immediately to provide the service or do without it. He said doing without it is largely not an option because the service they provide is the key to investigations that the Sheriff's Department does and we are talking about children.

Ms. Carol Yarborough, Dickerson Center Executive Director, said if they are unable to get funding requested this year then one of the forensic interview therapy positions will go unfunded. She said they currently have four forensic interviewers/therapists, and if you look at the number of interviews that the Dickerson Center did for the Sheriff's Department last year at 250, they could not do 250 interviews in the coming year without that position. Ms. Yarborough said even if they could fund part-time that would help. She said if the Dickerson Center was unavailable it would cost the County about their entire budget just to take care of the forensic interviews without therapy, medical exams or anything else and go elsewhere. The kids would be re-victimized and subjected to unqualified individuals.

It was noted of the \$317,000 balance minus \$55,000 for Sexual Trauma and Dickerson Center the remaining balance is \$262,000 for other requests.

Vote on Motion:

In Favor:	Mr. Jeffcoat	Mr. Cullum
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Ms. Summers	Mr. Kinard
Mr. Townsend	Mr. Collins
Mr. Keisler	Mr. Matthews

FY2014-2015 Budget

Motion:

A motion was made by Mr. Kinard, seconded by Mr. Matthews to accept the recommended budget as presented at this point forward.

Chairman Jeffcoat opened the floor for discussion.

Chairman Jeffcoat asked about the two items under Economic Development that we have always funded in the past, USC Incubator (\$25,000) and Engenuity SC (\$25,000), for a total of \$50,000. He said he would like to think we could fund them again since they do a lot for our economic development, which produces jobs and tax revenue and helps keep the taxes down for our citizens.

Mr. Kyle Michel, Engenuity SC, reported Engenuity was a regional organization similar to Central SC Alliance and is funded by regional governments Richland County, City of Columbia, as well as higher education Midlands Technical College and the University of South Carolina, as well as businesses like SCANA, Nephron, First Community Bank, and others that are in Lexington. He said their mission was to expand and make the environment easier for existing companies to expand and grow their businesses here as well as to recruit businesses that are similar to those companies that are already here.

Amended Motion:

Mr. Kinard amended his motion, seconded by Mr. Matthews, to accept the recommended budget as the Administrator presented to Council with one exception, that we take \$25,000 out the \$262,000 balance remaining that Council transferred to the General Fund and allow that to go to Engenuity SC.

Chairman Jeffcoat opened the floor for discussion.

Mr. Cullum reported he did not see anything about the Public Works equipment purchase for the Road Reclaimer.

Mr. Mergo explained that at the last meeting Mr. Barrett, Public Works Director, was asked to do a new program for just the Road Reclaimer for the total cost involved to run the entire program successfully in order to meet the expectations that were discussed. He said the total cost would be adding one additional staff member and then it would have a total operating amount of \$288,000 plus the cost of the machinery at \$400,000 for a total of \$748,000 which is drastically different than the

\$2 million and \$1.3 million requested. Mr. Mergo said he did not want to recommend reoccurring cost with non-reoccurring revenues. But based on the all the information received from Mr. Barrett, the machine alone with existing staff could still potentially provide a lot of benefits that are worth looking into whether it is fuel cost savings, road paving miles on equipment, expanding the time that we have to maintain from poor to good which would give us about four weeks if this machine does what it is supposed to do. Mr. Mergo was suggesting using the fund balance to purchase just the \$400,000 Road Reclaimer equipment.

Motion Withdrawn:

Mr. Kinard withdrew his original motion and Mr. Matthews withdrew his second.

Motion:

A motion was made by Mr. Kinard, seconded by Mr. Townsend to recommend full Council accept staff's recommendations for the recommended budget plus we are adding \$15,000 for Sexual Trauma Services, \$40,000 for Dickerson Center, \$400,000 for Public Works, and \$25,000 for Engenuity SC out of the General Fund.

Chairman Jeffcoat opened the floor for discussion; no discussion occurred.

Vote on Motion:

In favor:	Mr. Jeffcoat	Mr. Kinard
	Mr. Townsend	Mr. Collins
	Ms. Summers	Mr. Keisler
	Mr. Matthews	Mr. Cullum

Mr. Mergo reported that the County is mandated to collect indigent care funds collected on the tax bill with a millage then send 100 percent back to the State to disburse on indigent care. He reported we received a letter at the end of April advising us that the County's payment to indigent care has increased to \$22,963. Mr. Mergo said he wanted to discuss a certain flexibility proviso the State has that allows this body to potentially reduce certain funding levels we deem are mandates by the State by the same appropriate percentage that they decreased the Local Government Fund. There are some exclusions to that flexibility proviso but indigent care does not appear to be one of those. Mr. Mergo said the County's finance director contacted the Office of Health and Human Services to ask how the indigent care calculations were done and, as a result, found they had made an error statewide. Unfortunately, across the state owes more. Mr. Mergo recommends Council apply the flexibility proviso in order to make up for the shortfall.

Motion:

A motion was made by Mr. Kinard, seconded by Mr. Townsend to recommend Council apply the flexibility proviso.

Chairman Jeffcoat opened the floor for discussion.

Mr. Mergo said the flexibility proviso is located under Section 6-1-320 Millage Rate Increase Limitations Exceptions, Section B. Part 5: Compliance with a regulation promulgated or statute enacted by the federal or state government after the ratification date of this section for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government. The amount of the increase to Indigent Care is \$22,963. He reported that Florence County has placed its unfunded state mandates on their tax bill for citizens to see what all they were having to pay.

Chairman Jeffcoat said this proviso would save the County from having to pay an additional \$22,963 for a state mandate.

Vote on Motion:

In Favor:	Mr. Jeffcoat	Mr. Kinard
	Mr. Townsend	Mr. Collins
	Ms. Summers	Mr. Keisler
	Mr. Matthews	Mr. Cullum

There being no further business, the meeting was adjourned.

Respectfully submitted,

Judy R. Busbee
Assistant to the Clerk

Johnny W. Jeffcoat
Chairman

Diana W. Burnett
Clerk